

SIMPSON ROBERT G  
Form 4  
December 01, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SIMPSON ROBERT G

2. Issuer Name and Ticker or Trading Symbol  
WASTE MANAGEMENT INC  
[WMI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
1001 FANNIN, SUITE 4000  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
11/29/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
SVP, Chief Financial Officer

HOUSTON, TX 77002

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price   |
| Common Stock                    | 11/29/2006                           |  | M                              |   | 36,500  | A  | \$ 14.8125  |
| Common Stock                    | 11/29/2006                           |  | S                              |   | 800   | D  | \$ 37.28  |
| Common Stock                    | 11/29/2006                           |  | S                              |   | 3,200   | D  | \$ 37.27  |
| Common Stock                    | 11/29/2006                           |  | S                              |   | 600   | D  | \$ 37.26  |
| Common Stock                    | 11/29/2006                           |  | S                              |   | 1,900   | D  | \$ 37.25  |

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|              |            |   |        |   |          |             |   |
|--------------|------------|---|--------|---|----------|-------------|---|
| Common Stock | 11/29/2006 | S | 5,400  | D | \$ 37.24 | 74,313.4072 | D |
| Common Stock | 11/29/2006 | S | 2,400  | D | \$ 37.23 | 71,913.4072 | D |
| Common Stock | 11/29/2006 | S | 1,801  | D | \$ 37.22 | 70,112.4072 | D |
| Common Stock | 11/29/2006 | S | 200    | D | \$ 37.21 | 69,912.4072 | D |
| Common Stock | 11/29/2006 | S | 1,300  | D | \$ 37.2  | 68,612.4072 | D |
| Common Stock | 11/29/2006 | S | 1,100  | D | \$ 37.19 | 67,512.4072 | D |
| Common Stock | 11/29/2006 | S | 2,800  | D | \$ 37.18 | 64,712.4072 | D |
| Common Stock | 11/29/2006 | S | 1,100  | D | \$ 37.17 | 63,612.4072 | D |
| Common Stock | 11/29/2006 | M | 24,232 | A | \$ 19.61 | 87,844.4072 | D |
| Common Stock | 11/29/2006 | F | 17,025 | D | \$ 36.86 | 70,819.4072 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | Amount or Number of Shares |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                      | Amount or Number of Shares |
| Stock Option (Right to Buy) <sup>(1)</sup> | \$ 14.8125   | 11/29/2006                           |  | M                              |   | 02/28/2001   | 02/28/2010  | Common Stock               | 36,500                     |
| Stock Option                               | \$ 19.61   | 11/29/2006                           |  | M                              |   | 03/06/2004   | 03/06/2013  | Common Stock               | 24,232                     |

(right to  
buy) <sup>(2)</sup>

Stock

Option  
(right to  
buy) <sup>(3)</sup>

\$ 37.095

11/29/2006

A

12,892

05/29/2007

03/06/2013

Common  
Stock

12,8

## Reporting Owners

| Reporting Owner Name / Address                                     | Relationships |           |                              |       |
|--|---------------|-----------|------------------------------|-------|
|  | Director      | 10% Owner | Officer                      | Other |
| SIMPSON ROBERT G<br>1001 FANNIN<br>SUITE 4000<br>HOUSTON, TX 77002 |               |           | SVP, Chief Financial Officer |       |

## Signatures

Robert G.  
Simpson

12/01/2006

          
\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Stock option granted pursuant to Waste Management, Inc. 1993 Stock Incentive Plan. Stock option vests in 25% annual increments, commencing on the first anniversary of the date of grant.

(2) Stock option granted pursuant to Waste Management, Inc. 2000 Stock Incentive Plan. The stock option originally vested in 25% annual increments commencing on the first anniversary of the date of grant. The Compensation Committee of the Board of Directors accelerated the vesting of the Company's outstanding options effective December 28, 2005.

(3) Stock option granted pursuant to Waste Management, Inc. 2004 Stock Incentive Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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